

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 2/3/2015	(3) CONTACT/PHONE Leslie Brown 781-5011	
(4) SUBJECT  Submittal of a resolution designating the Department of Social Services and the Health Agency as entities to assist County jail inmates to apply for a health insurance affordability program and to act on behalf of inmates for the purpose of applying for Medi-Cal eligibility for acute inpatient hospital services, pursuant to AB 720. All Districts.			
(5) RECOMMENDED ACTION  It is recommended that the Board adopt a resolution designating the Department of Social Services and the Health Agency as entities to assist County jail inmates to apply for a health insurance affordability program and to act on behalf of inmates for the purpose of applying for Medi-Cal eligibility for acute inpatient hospital services, pursuant to AB 720.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW  This item was prepared by the Administrative Office			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Leslie Brown  
781-5011

DATE: 2/3/2015

SUBJECT: Submittal of a resolution designating the Department of Social Services and the Health Agency as entities to assist County jail inmates to apply for a health insurance affordability program and to act on behalf of inmates for the purpose of applying for Medi-Cal eligibility for acute inpatient hospital services, pursuant to AB 720. All Districts.

## **RECOMMENDATION**

It is recommended that the Board adopt a resolution designating the Department of Social Services and the Health Agency as entities to assist County jail inmates to apply for a health insurance affordability program and to act on behalf of inmates for the purpose of applying for Medi-Cal eligibility for acute inpatient hospital services, pursuant to AB 720.

## **DISCUSSION**

### **Executive Summary**

Historically, many inmates in county jails have not been eligible to receive Medi-Cal benefits, leaving counties responsible for their medical care, including sometimes costly hospital stays. In January of 2014, the Affordable Care Act made Medi-Cal eligibility available to a wider population (e.g. childless adults), including many inmates who previously did not qualify. Unfortunately, benefits are suspended until after being released from custody and counties remain financially responsible for medical costs provided to inmates while in jail. The one exception is in the case of a Medi-Cal eligible inmate admitted to the hospital for inpatient treatment. In this case, counties can claim reimbursement from Medi-Cal for enrolled inmates.

State Assembly Bill (AB) 720 allows counties to be reimbursed by Medi-Cal for inpatient hospital care provided to those eligible inmates who are unwilling or unable to submit an application. In order to claim reimbursement, AB 720 requires action by the Board of Supervisors to designate an entity to act on behalf of those who are unwilling to cooperate or who are incapacitated and unable to cooperate in the application process.

Designating the Department of Social Services (DSS) and the Health Agency as the entities authorized to assist County jail inmates in applying for Medi-Cal will allow the County to obtain Medi-Cal reimbursement for inpatient hospitalization and will provide inmates with access to Medi-Cal benefits upon release from County jail. DSS is providing staff in the County jail to assist inmates in completing their applications. The Health Agency will act on behalf of hospitalized inmates, as needed, to complete an application to Medi-Cal and will submit the application to DSS for determination of eligibility.

### **Background**

Effective January 1, 2014, Medi-Cal eligibility was expanded under the Affordable Care Act (ACA) to include childless adults ages 19-64 with incomes that are equal to or less than 138% of the Federal Poverty level. Many of the inmates in our County jail who previously lacked health insurance coverage are now likely eligible to receive Medi-Cal benefits.

However, as was the case prior to the implementation of the ACA, medical care provided to inmates while incarcerated cannot be billed to Medi-Cal. The County therefore remains financially responsible for the medical care provided to

inmates on site in the jail and off-site in the hospital emergency room and specialty medical offices. Since the implementation of the ACA, medical care provided to inmates in an inpatient hospital setting is eligible for Medi-Cal reimbursement if the inmate is enrolled in Medi-Cal. This provision has the potential to save the County, on average, approximately \$98,300 per year in General Fund expense. This reflects 56% of expected expenditures for inpatient hospitalization and the assumption that not all hospitalized inmates are eligible for Medi-Cal. In addition, this provision can potentially save the County significantly more for extraordinary hospitalization cases. Last fiscal year, the County spent almost \$367,000 on inpatient hospitalization costs for a few very ill inmates.

Assembly Bill 720 was signed into law in October 2013 in anticipation of implementation of the ACA. Effective January 1, 2014, AB 720 authorized the Board of Supervisors in each county, in consultation with the Sheriff, to designate one or more entities to assist county jail inmates in applying for health care coverage and to act on behalf of a county jail inmate for the purpose of applying for Medi-Cal for acute inpatient hospital care. The bill also provided that county jail inmates who are enrolled in the Medi-Cal program shall remain eligible and may not be terminated from the program due to their incarceration. Their benefits are suspended rather than terminated while they are incarcerated.

As indicated above, if an inmate is admitted to a hospital, the inmate's Medi-Cal benefits may be temporarily activated for the purpose of obtaining Medi-Cal coverage for the acute inpatient hospital services provided to that inmate. AB 720 grants authority to counties to submit an application on behalf of a hospitalized inmate even if that inmate has refused to enroll or is incapacitated and cannot consent to enrollment. The California Department of Corrections and Rehabilitation has had this authority for years related to hospitalized State prisoners.

A workgroup comprised of representatives from the Sheriff's Office, DSS, Health Agency, Probation Department and Administrative Office collaborated to determine the best way to implement the provisions of AB 720 and enroll eligible inmates in health care coverage. The workgroup's goal is to maximize the number of eligible inmates and probationers enrolled in Medi-Cal so these individuals may access covered services such as mental health and substance use disorder treatment as well as physical health care once released from jail.

As a result of the workgroup's efforts, DSS has provided staff on site in the jail to assist inmates to enroll in health care coverage either through Medi-Cal or Covered California since March 2014. DSS is authorized by State law to assist low income individuals in enrolling in Medi-Cal in a variety of settings, including the County jail. Thus, staff did not seek Board designation of DSS as an entity to assist jail inmates in applying for health care coverage prior to providing this service to inmates in the jail. As of the end of December 2014, 762 inmates have completed and submitted applications; 650 have been enrolled in health care coverage and another 61 were already enrolled in Medi-Cal. Only 6 applications have been denied for failing to provide verification.

Over the 9 month period in which DSS has offered assistance to inmates to enroll in health care coverage, approximately 44% of inmates contacted have declined to enroll. Some of the inmates who have declined are already insured or are undocumented and therefore not eligible for Medi-Cal or Covered California coverage. While the numbers of those declining has decreased over time, there remains a risk that one or more of these inmates who have not applied for coverage will be admitted to the hospital. Given this, the workgroup is recommending that the Health Agency, which provides jail medical care, act on behalf of a County jail inmate for the purpose of applying for Medi-Cal for acute inpatient hospital services.

Health Agency staff will prepare the application on behalf of the inmate, and DSS staff will determine eligibility and complete the enrollment process for that inmate. Including the Health Agency as an entity designated to assist inmates in applying for Medi-Cal and to act on behalf of inmates that refuse or are unable to fill out an application will maintain separation between the application request and DSS's role as the agency that determines eligibility for benefits. Separation of these two functions is important to maintain the integrity of the Medi-Cal enrollment process.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

Representatives from the Sheriff's Office, Department of Social Services, Health Agency and Probation Department worked with the Administrative Office to develop an approach to implement the provisions of AB 720. County Counsel provided legal advice during this process and also reviewed and approved the resolution for form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

The cost associated with DSS assistance to inmates in applying for health care coverage is funded by the department's allocation for Medi-Cal administrative activities and there is no General Fund impact resulting from this effort. The cost associated with the Health Agency completing Medi-Cal applications on behalf of a hospitalized inmate is expected to be negligible and will be absorbed within the current Health Agency budgets.

Enrolling inmates in Medi-Cal coverage in the event of the need for inpatient hospitalization may protect the County from extraordinary costs in the event of catastrophic illness of an inmate during incarceration. In FY 2013-14, the County spent \$366,555 on inmate hospital inpatient days. This amount was significantly higher than the average expenditures over the prior three years of approximately \$125,000. These high costs were primarily attributed to six inmates with significant health issues. Unfortunately, the County was not able to enroll any of these six inmates in Medi-Cal due to either the timing of their hospitalization or glitches in the enrollment automation system that have since been addressed.

The County currently contracts with local hospitals to provide inpatient hospital services to County jail inmates at a per diem rate of \$1,425. Approximately \$174,000 in expenditure is included in the FY 2014-15 Law Enforcement Medical Care (LEMC) budget for inpatient hospital stays, and approximately \$98,300 (56%) of this expense is projected to be offset by Medi-Cal reimbursement. This Medi-Cal reimbursement level is, however, an estimate given that FY 2014-15 is the first full year of ACA implementation.

## **RESULTS**

Adopting the attached resolution will enable the County to bill for Medi-Cal reimbursement for acute inpatient hospital services for eligible inmates, pursuant to AB 720, even if the eligible inmate has declined or is incapacitated and unable to apply for Medi-Cal. Once the State has established the billing procedures for Medi-Cal reimbursement for acute inpatient hospital services for inmates (expected soon), the County will be able to recoup approximately 56% of the average cost for inpatient medical care provided to inmates each year. In addition, as noted above, enrolling inmates in Medi-Cal coverage in the event of the need for inpatient hospitalization may protect the County from extraordinary costs in the event of catastrophic illness of an inmate during incarceration.

## **ATTACHMENTS**

1. Resolution
2. AB 720 Legislation